



U. S. Steel

2022 Supplier Diversity Economic Impact Report



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Company Overview



U. S. Steel is a global steel producer that combines integrated blast furnace, basic oxygen furnace and mini mill steel process technologies along with significant taconite mining operations to produce the steel products that are the building blocks of a sustainable future.

We are a leading steel producer serving the automotive, construction, appliance, energy, containers, and packaging industries with high-value-added steel products.

Our Best for All® strategy provides our customers with profitable steel solutions while creating a more sustainable future for all stakeholders—our customers, investors, employees and communities where we work and live.



Our Commitment to Supplier Diversity

Our Supplier Diversity mission is to support U. S. Steel's vision to be an industry leader in delivering high-quality, value-added products and innovative solutions that address our customers' most challenging needs now and in the future. Supplier Diversity is a key competitive advantage that aligns with our core values and strategic objectives. Our Supplier Diversity Program also exists because we know our inclusive supply chain has a positive impact for U. S. Steel, our customers, and the communities where we operate.

We define Supplier Diversity as minority-owned business, women-owned business, LGBTQ-owned business, veteran-owned business, disability-owned business, service-disabled veteran-owned business, and/or SBA-defined small business (in HUB Zones only) that support the mission of U.S. Steel's Supplier Diversity Program.



David B. Burritt
*President & Chief
Executive Officer*

U. S. Steel's Best for All® strategy is all about delivering profitable steel solutions for people and planet, and having a diverse supplier portfolio is an integral part of that. Supplier Diversity is a key competitive advantage that aligns with our core values and strategic objectives. U. S. Steel's diverse network of suppliers is powering our business forward as we work to get to the future faster.



John M. Foody Jr.
*Vice President &
Chief Procurement Officer*

This Supplier Diversity Program exists because we know our inclusive supply chain has a positive impact for U. S. Steel, our customers, and the communities where we operate. We are committed to continuing to diversify our supply chain, deliver high-quality, value-added products and innovative solutions for our customers' current and future needs. We aim to bring strategic value to all our stakeholders in a way that is Best for All®.

Continuous Growth, Continuous Impact



U. S. Steel launched its Supplier Diversity program in 1999, and over the years has leveraged its economic and social influence to support diverse businesses that are essential to the fabric of the U.S. economy.

In late 2020, a renewed focus was put on the program to increase awareness and the importance of doing business with diverse companies. With our Procurement team leading the way, we surpassed expectations by achieving nearly \$400 million in diverse spend by the end of 2022. We were able to accomplish this by increasing accountability, dedicating resources, and investing in tools to identify and build relationships with diverse suppliers, certifying entities and local chambers of commerce.

Furthering our impact, we are determined to do even better throughout 2024. To achieve this goal, we plan to expand our pool of suppliers in our request for proposals and bid distributions; continue our Tier II reporting program to increase engagement within our supply chain; and work with internal business organizations and Employee Resource Groups, and our customers, to continuously engage in solutions that increase innovation and support all businesses.



Toyota Event

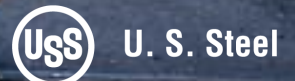
U. S. Steel Employees Attend Supplier Diversity Event -

On October 19-20, 2022, six employees from the Sales, Procurement and Product Innovation teams, as well as members of our LEAD (Leveraging and Enhancing All Diversity) Employee Resource Group, attended Toyota's 33rd Annual Opportunity Exchange event in Novi, Michigan. The event helps companies connect directly with diverse suppliers.

This year's theme was "Building Partnerships for Innovation and Inclusion." It focused on finding new and better ways that we can work together towards greater growth, success, and mobility for all.

Participating in the Toyota Opportunity Exchange was just one way the U. S. Steel Supplier Diversity Program is working toward the company's Diversity, Equity and Inclusion (DEI) goals. The mission of the U. S. Steel Supplier Diversity program is to support our company's vision to be the industry leader in delivering high-quality, value-added products and innovative solutions that address our customers' most challenging needs now and in the future.

Supplier Diversity Economic Impact



How We Measure Economic Impact

ECONOMIC IMPACT METRICS

Economic impact reports communicate the impact on the economy using these standard measures: Output, Jobs, Incomes, and Tax Revenues.



OUTPUT

Measures the cumulative revenues of all businesses impacted through the program: **Direct, Indirect, and Induced.**



JOBS

Created within U. S. Steel's supply chain and in the supplier's communities.



INCOMES

Measures the cumulative earnings of the employees in the jobs supported through supplier diversity purchases.



TAX REVENUES

Measures the federal, state and local tax revenues that are generated through economic activity.

U. S. STEEL'S
2022 Total
Supplier
Diversity
Economic
Impact



TOTAL DIVERSE
SUPPLIER SPEND

\$389.2M



TOTAL OUTPUT
\$706.2M



TOTAL JOBS SUPPORTED
2,676



TOTAL INCOMES
SUPPORTED
\$210.6M



TOTAL TAXES
GENERATED
\$77M

IMPLAN's input-output model was used to develop estimates of spend, income and employment impacts. (See Appendix: Economic Impact Modeling)

ECONOMIC

Impact Channels

U. S. Steel's spending with its diverse suppliers generates economic activity in its supply chain and their communities. These impacts can be categorized into three types. First, the direct impacts are the jobs and payroll directly supported at the U.S. Steel's diverse suppliers. Next, there are additional spin-off impacts. Indirect impacts occur in the lower tier suppliers and induced impacts occur at the local businesses that supply products to the employees and their families in the jobs supported in the supply chain.



Economic Impact Channels

U. S. Steel's purchases with diverse suppliers have a ripple effect on the supply chain. The total economic impact is comprised of three components: Direct, Indirect, and Induced.



DIRECT

Direct economic impact is all direct expenditures by a corporation (operation, capital, and pay/benefit expenditures).



INDIRECT

Indirect economic impact is the impact of local industries buying goods and services from other local industries.



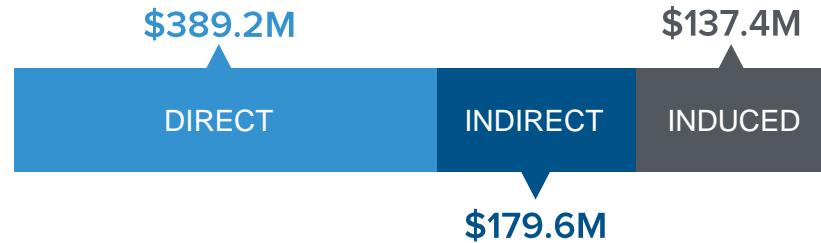
INDUCED

Induced economic impact is the impact of re-spending of earnings of the organization and its suppliers.

Economic Impact Channels

Total Output

U. S. Steel purchased \$389.2M from diverse businesses. This spending resulted in the total impact of \$706.2M, which is broken down into \$389.2M Direct impact, \$179.6M Indirect impact, and \$137.4M Induced impact.



\$706.2M

Spending with diverse businesses

Total Jobs Supported

U. S. Steel's Supplier Diversity spending with diverse suppliers supported an estimated 2,676 jobs. 1,061 of these were supported in the Direct channel, 838 jobs in the Indirect channel, and 777 jobs from the Induced channel.



2,676

Supported jobs with diverse businesses

Total Incomes Supported

U. S. Steel's purchases from diverse suppliers supported jobs throughout the supply chain that paid employees a total of \$210.6M in Incomes. Incomes earned in the Direct, Indirect, and Induced channels are estimated at \$97M, \$68.6M and \$44.9M respectively.



\$210.6M

Supported Incomes with diverse businesses

Note: Direct, Indirect and Induced numbers may not add up to the total due to rounding. Direct economic impact is all direct expenditures by a corporation (operation, capital, and pay/benefit expenditures); indirect economic impact is the impact of local industries buying goods and services from other local industries; and induced economic impact is the impact of re-spending of earnings of the organization and its suppliers.

Impact of Direct Spend with Diverse Suppliers



MINORITY-OWNED BUSINESSES

\$217.9M

Diverse spend

348

Jobs

\$43.7M

Incomes



WOMEN-OWNED BUSINESSES

\$178M

Diverse spend

609

Jobs

\$45.8M

Incomes



VETERAN-OWNED BUSINESSES

\$32.6M

Diverse spend

121

Jobs

\$12.2M

Incomes



SERVICE-DISABLED VETERAN BUSINESSES

\$639.1K

Diverse spend

4

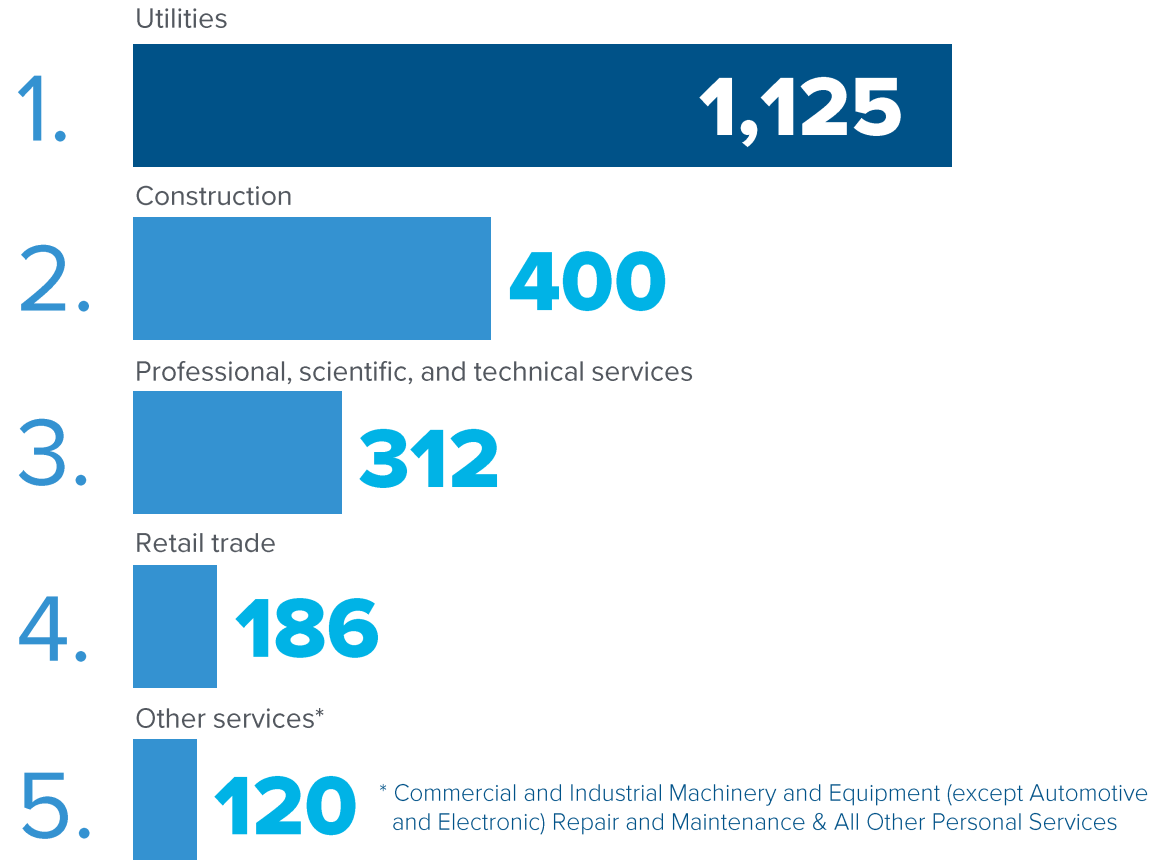
Jobs

\$266.7K

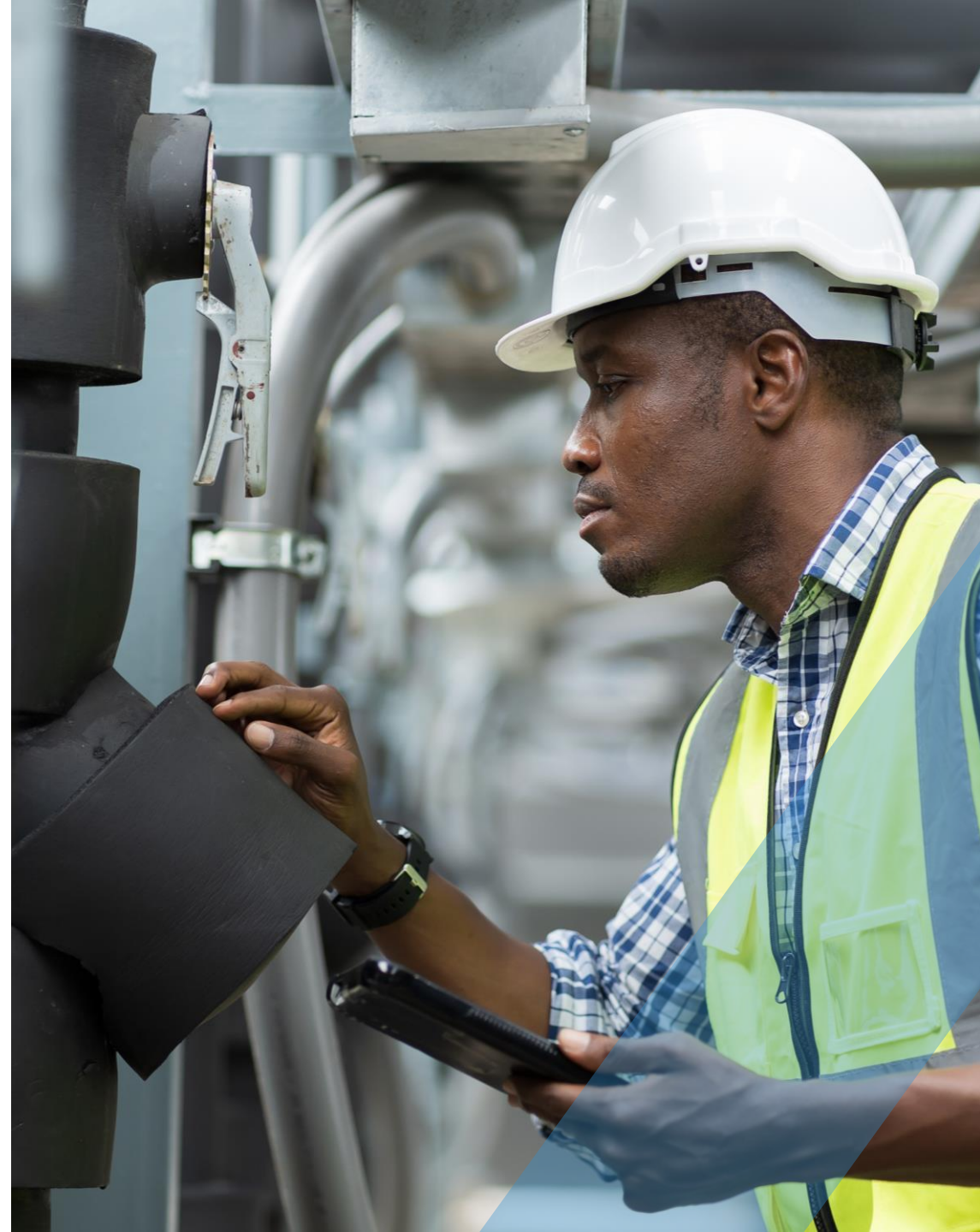
Incomes

TOP 5 Industries

with supported jobs



Note: Jobs are assigned to industries included in the North American Industry Classification System (NAICS) that was developed by the federal government.



OUR IMPACT

By State

IMPACT FROM DIVERSE SUPPLIERS

Direct, Indirect, Induced

| State | Diverse & Small Business Spend | Total Output | Total Jobs | Total Incomes |
|-------|--------------------------------|--------------|------------|---------------|
| TX | \$80.1M | \$159.7M | 461 | \$46.2M |
| NC | \$68.7M | \$123.3M | 343 | \$26.9M |
| OK | \$42.7M | \$78M | 222 | \$18.9M |
| PA | \$38.2M | \$67.9M | 415 | \$24.3M |
| IL | \$36.8M | \$66.4M | 273 | \$24.2M |
| IN | \$36.7M | \$65.9M | 397 | \$26.8M |
| VA | \$24.3M | \$38.9M | 88 | \$8.4M |
| MI | \$13.6M | \$27.4M | 180 | \$11.7M |
| NY | \$12.6M | \$21.6M | 52 | \$6.6M |
| OH | \$10.9M | \$15M | 37 | \$2.6M |
| DE | \$7.4M | \$12.6M | 68 | \$4.8M |
| MO | \$4.6M | \$8.4M | 40 | \$2.6M |
| LA | \$2.1M | \$3.2M | 15 | \$913.7K |
| AL | \$2.1M | \$3.2M | 15 | \$912.9K |
| AR | \$1.9M | \$3.1M | 17 | \$978.5K |
| GA | \$1.8M | \$3.7M | 20 | \$1.3M |



Note: State output, jobs and incomes may not add up to the total due to rounding.

OUR IMPACT

By State

IMPACT FROM DIVERSE SUPPLIERS

Direct, Indirect, Induced

| State | Diverse & Small Business Spend | Total Output | Total Jobs | Total Incomes |
|-------|--------------------------------|--------------|------------|---------------|
| TN | \$1.2M | \$1.9M | 6 | \$463.5K |
| MN | \$801.9K | \$1.4M | 6 | \$388.5K |
| NJ | \$687.4K | \$1.2M | 5 | \$443.6K |
| WV | \$639.5K | \$956.3K | 5 | \$315.1K |
| CA | \$226.3K | \$446.6K | 2 | \$221.2K |
| MD | \$168.2K | \$287.7K | 2 | \$107.9K |
| OR | \$162.7K | \$287.5K | 1 | \$99.6K |
| WI | \$160.3K | \$259.6K | 1 | \$84.4K |
| NE | \$147K | \$225.1K | 1 | \$57.3K |
| FL | \$117.5K | \$230.7K | 1 | \$85.2K |
| WA | \$111.2K | \$190.2K | 1 | \$72.9K |
| KY | \$109.8K | \$187.8K | 1 | \$56.7K |
| MS | \$43.3K | \$51.3K | 0 | \$5,389 |
| AZ | \$20.9K | \$40.8K | 0 | \$13K |
| CO | \$569 | \$712 | 0 | \$108 |

Note: State output, jobs and incomes may not add up to the total due to rounding.



APPENDIX: ECONOMIC IMPACT MODELING

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input,” or direct spend, cycles through the economy in terms of “indirect and induced output,” or additional spend, personal income, and employment.

There are several Input-Output models used by economists to estimate multiplier effects. Supplier.io employed the IMPLAN input-output model in developing estimates of spend, income and employment impacts. This model, initially developed by the U. S. Department of Agriculture, examines inter-industry relationships in local, regional, and national economies.

The Input-Output multipliers are derived from a comprehensive and complex set of inputs based on the collection of business and employment data. Indirect impacts of economic activity in a targeted geographic area are calculated by applying multiplier coefficients to the direct impact spending. Since most of the businesses in the study are considered as local businesses, each supplier was assumed to have operations primarily in one state. These multipliers consider an amount of “leakage” from the state economy because some incomes and expenditures will be spent outside of the state. The economic activity is calculated by state and these state-level results are aggregated to determine the national totals.

Analysis performed by supplier

Assumptions

This analysis relies on the following assumptions:

For suppliers that have multiple locations, all impact is evaluated at the headquarters location. This may overestimate the impact in the headquarters state and underestimate the impact in other states.

For suppliers that provide services in multiple NAICS code, unless otherwise indicated, all impact is calculated using the supplier's primary NAICS code.

A supplier impact is assumed to be localized within a state.

The model predicts impact results based on industry averages and is an aggregate across all companies. The calculations cannot be applied to individual companies and may differ from actual jobs and incomes at specific companies.

References

This report is based on an analysis of data provided by the customer and information from the following sources:

[US Government Revenues](#)

[Office and Administrative Support Occupations: Occupational Outlook Handbook: U.S. Bureau of Labor Statistics](#)

[United States GDP](#)

[What is NAICS](#)

[IMPLAN](#)

[Multipliers Changing Over Time – IMPLAN - Support](#)

[Generation and Interpretation of IMPLAN's Tax Impact Report](#)

[Taxes: How the Pandemic Ruined My Tax Results – IMPLAN - Support](#)

[Pandemic: Analyzing the Economic Impacts of the Coronavirus – IMPLAN - Support](#)

Legal Disclaimer

This document contains information that may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “plan,” “goal,” “future,” “will,” “may” and similar expressions or by using future dates in connection with any discussion of, among other things, the construction or operation of new or existing facilities or operating capabilities, operating or financial performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume changes, share of sales and earnings per share changes, anticipated cost savings, potential capital and operational cash improvements, statements regarding our future strategies, products and innovations, and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements include all statements that are not historical facts, but instead represent only the Company’s beliefs regarding goals, plans and expectations about our prospects for the future and other future events, many of which, by their nature, are inherently uncertain, qualified by important factors and outside of the Company’s control. It is possible that the Company’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company’s historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, the risks and uncertainties described in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and those described from time to time in our future reports filed with the Securities and Exchange Commission (SEC). References in this document to “U. S. Steel,” “the Company,” “we,” “us,” and “our” refer to United States Steel Corporation and its consolidated subsidiaries unless otherwise indicated by the context.



U. S. Steel

2022 Supplier
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Impact Report

